

AMES TRANSIT AGENCY BOARD OF TRUSTEES

AMES, IOWA

May 9, 2013

The Ames Transit Agency Board of Trustees met May 9, 2013 at 5:40 p.m. in CyRide's Conference room. Trustees Anders, Madden, Schainker, and Wacha were present and Trustees Leines and Rediske were absent.

APPROVAL OF MINUTES: Trustee Madden made a motion to approve April 11, 2013 minutes and seconded by Trustee Wacha. (Ayes: Four. Nays: None.) Motion carried.

PUBLIC COMMENTS: No public comments.

RECOGNITION OF OUTGOING BOARD MEMBERS: Under the City of Ames Municipal Code, Director Kyras denoted three of the six transit board member terms will expire and that this meeting will be the last official meeting for Trustees Anders, Wacha, and Leines. President Anders then recognized Trustee Wacha, thanking him for providing guidance on the Transit Board since 2009.

President Anders then acknowledged Trustee Leines, GSB appointee.

Trustee Madden then recognized Trustee Anders who had held a seat on the Ames Transit Board of Trustees since May of 2007, with the past four years as President. Trustee Anders is a regular CyRide rider and was instrumental in making key decisions over the past six years. He shared with the members present that Trustee Anders will be missed by the transit board and CyRide staff.

Director Kyras recognized the new appointments to the transit board - Matthew Goodman, representing the Ames City Council; Tom Drenthe, Mayor Ann Campbell's appointment; and Zachary Murrell, appointed by the GSB and will serve in the Senator position.

President Anders addressed the transit board and CyRide staff indicating that he hoped that the transit board would explore a \$5 Unlimited Access Pass for honored riders, 65+, similar to that issued to riders in Eugene, Oregon. He further shared the importance of student representation on the transit board, which he believes has allowed CyRide to become one of the best transit systems in the United States.

INTERMODAL FACILITY – ACCEPTANCE OF FINAL COMPLETION: Director Kyras indicated that the construction contract with Weitz for the Ames Intermodal Facility was completed and all paperwork was currently being processed. She further stated that the Intermodal Facility opened in July of 2012 last year and that all contracted work had been completed. The Project Architect's Letter of Final Inspection shows that all contract requirements have been met. Currently the outstanding contract balance is \$387,600, which represents the retainage amount. The City of Ames received several claims against the project; however,

all these claims have been resolved. The outstanding item currently is the lien waivers, which is currently being addressed and is anticipated to be completed within the next week.

Trustee Madden made a motion to proceed with approving final payment for \$387,600.48 to Weitz Corp. for the completion of the Ames Intermodal Facility, contingent upon receiving all lien waivers, receipt of the final play application, and City Council approval. Motion seconded by Trustee Wacha. (Ayes: Four. Nays: None.) Motion carried.

HIRTA DIAL-A-RIDE CONTRACT EXTENSION: Director Kyras communicated that CyRide and the City of Ames had entered into a three-year contract with the Heart of Iowa Regional Transit Association (HIRTA) to provide Dial-A-Ride service on behalf of CyRide and under the requirements of the Americans with Disabilities Act. The contract will annually be reviewed by the transit board under the three-year contract to determine both parties desire to continue the contract. HIRTA has provided CyRide with a letter indicating their desire to provide service for the 2013-2014 year as well as a rate structure that reflects a 4% increase in their fees. The new rates are less costly than if CyRide took were to provide the service.

Director Kyras received several customer comments from Dial-A-Ride passengers the first six months HIRTA operated service. She explained the types of complaints from customers:

- HIRTA dispatchers are located in Des Moines and less familiar with building locations in Ames, which created challenges in the beginning.
- With HIRTA operating multiple transportation programs, there was confusion on the requirements of each.
- Trips were missed.
- Trips were late.
- Customers were not always able to speak with Dispatchers regarding their trip at non-traditional work hours.

CyRide staff worked with their staff and dispatchers to help them better understand the Dial-A-Ride service as well as addressing staffing and telephone issues. Complaints were addressed and service has resumed to a more normal level of customer feedback.

Director Kyras recommended continuing the contract with HIRTA. She further explained that funding for this program is received from the State of Iowa as a pass-through from the federal government. For the 2013-2014 year, CyRide anticipates receiving \$222,000 for service to the disabled community. CyRide estimates that the HIRTA contracted cost will be between \$175,000 to \$180,000.

Trustee Madden asked about the per trip cost basis as opposed to an hourly rate. Director Kyras explained that Dial-A-Ride customers are physically on the same bus as other HIRTA customers so the per trip basis was the best way to share the total cost. She also indicated that this basis for costing is standard in the transit industry.

Trustee Wacha made a motion to approve the contract extension with Heart of Iowa Regional Transit Association for the 2013-2014 budget year at approximately a 4% increase. Trustee Madden seconded the motion. (Ayes: Four. Nays: None.) Motion carried.

TRANSIT ADVERTISING THREE-YEAR CONTRACT: Director Kyras informed the transit board that CyRide is at the end of the five-year contract for advertising rights on the buses, with the contract expiring June 30, 2013. CyRide's current contract generates 52% of the gross revenues from sales for CyRide, with a minimum amount of \$101,000 per year.

A Request for Proposal for transit advertising services was distributed on April 1, 2013 with only one proposal received from Houck Advertising. Their proposal offered 50% of the gross revenues, and guaranteed \$104,000 the first year, \$105,000 the second and \$106,000 the third year. Director Kyras shared with the transit board her concern with the proposal received – lower percentage share at a time when CyRide had more buses and potential for revenue. She indicated that transit advertising sales for the current year would be approximately \$5,000 less under their new proposal. She shared the reasoning provided by Houck Advertising - two annual contracts were reduced and one cancelled. As a result of this concern over replacing lost sales, their proposal was lower. The Houck business representative said they would reconsider their proposal. The next day the Director received their final proposal at 52% of gross revenues; however, they requested a five year contract as opposed to a three-year term. Director Kyras worked with the City Attorney and countered with a three year contract with two annual renewals, upon mutual consent. They agreed to this term.

Trustee Rediske arrived at 6:05 p.m.

Trustee Madden made a motion to approve a three-year contract with Houck Transit Advertising with two annual renewals for transit advertising services beginning July 1, 2013 at a rate of 52% of gross revenues and a minimum guarantee of \$104,000 for the first year of the contract. Trustee Wacha seconded the motion. (Ayes: Five. Nays: None.) Motion carried.

SUPPLY OF FUEL AND FUELING EQUIPMENT DURING SUMMER CONSTRUCTION: Director Kyras advised the transit board that during the summer the fueling/wash bay would be unavailable due to the construction. On-site fueling service was included in the construction contract, however, CyRide determined that better pricing could be obtained through CyRide. Rich Leners, with the assistance of the City of Ames Purchasing Department, bid fuel and portable fuel tanks for the three-month period. As a result, CyRide received two bids - Keck Energy and New Century - with Keck Energy as the low cost bidder. Henkel Construction will provide CyRide with a credit to the contract.

Fuel is budgeted for next year at \$3.70 per gallon. The fuel bids are lower than this budgeted amount.

Trustee Schainker made a motion to approve a contract to Keck Energy of Des Moines, IA for the purchase of fuel and fueling equipment rental during the estimated 12-week construction period when CyRide's permanent fuel facilities will be unavailable. The total contract is not to exceed \$273,940. Trustee Rediske seconded the motion. (Ayes: Five. Nays: None.) Motion carried.

GSB TRUST FUND – AUTOMATIC INCREASE FOR ENROLLMENT PROPOSAL: Director Kyras recapped prior discussions on this topic - conversations began in January with the budget, and continued in March. The purpose of the discussions were to find a solution to the financial agreements between the three parties that would allow CyRide to retain student fee dollars in the operating budget to pay for additional services to meet the additional demand created by enrollment increases as opposed to all increased fees being placed in the GSB Trust Fund. The transit board requested that staff identify potential changes that would accomplish these goals.

When CyRide develops its budget in mid-fall, enrollment numbers for the following fall are not known. Typically in the mid to late spring session, a good indication of enrollment begins to unfold. In the past couple of years, CyRide has had to request additional dollars from GSB during the summer to meet its anticipated ridership increase. The purpose of the Trust Fund is to "smooth out" fee increases needed each year when enrollment fluctuates.

First option requires CyRide staff to estimate the additional cost to meet demand for the year and then amend CyRide's budget in November of each year. Additional funding would automatically be taken from the Trust Fund.

Second option is to cap the GSB Trust Fund Balance at a predetermined balance.

Third option is to cap the annual increase of dollars going into the GSB Trust each year. Tom Davenport came up with an alternate way of calculating this cap by linking it to the Full-Time Equivalent (FTE) ratio, which is the total fees divided by the fee per semester. This gives the number of FTE's per semester and that has averaged 1.88 for the past seven years.

Option four is a small automatic increase in the operating budget, combined with estimating the additional cost in service. A small increase in funds would be allowed in the operating budget, but also having CyRide staff calculate the estimated cost. If the estimated cost is higher, this amount would be placed in the operating budget.

Trustee Wacha asked if the Director was looking for directions before the June 10, 2013 Student Fee Committee meeting. Director Kyras indicated that this was a great opportunity to gain input from the students and administration about how to address the additional cost of service due to enrollment. She further indicated if there were one or more options that the transit board desired to share with the Fee Committee this would be a great

opportunity to begin these discussions. Trustee Madden indicated that GSB is willing to look at some options as they acknowledge that as enrollment goes up, CyRide's costs also go up. He indicated that he could support a model that actually fits the enrollment growth, to maintain a reasonable service operating level. Trustee Wacha indicated that he believes options one and four seemed more feasible.

Trustee Madden mentioned the Board of Regents is trying to hold down costs and was concerned about increasing costs for services. Director Kyras indicated that CyRide would need direction prior to the start of school in August.

President Anders feels four options on the table are too much. He suggested making it into two concepts, fees based on numbers, and one based on capping the fund. He indicated that CyRide will need to provide more service for the enrollment figures of 32,400.

Trustee Rediske shared that he believes that the GSB Executive branch has a reasonable understanding of the challenge. Trustee Rediske suggested that it be brought to the Senate to explain the situation and how the trust fund works. Trustee Rediske shared that he is aware of the need to agree on something that is less cumbersome.

Director Kyras shared that there will be a capital challenge as well if enrollment continues to grow. She indicated that CyRide currently has four to six buses in its contingency fleet and anticipates a need to put four more buses into service to meet this year's demand. Therefore, in the fall of 2014, it will not have enough buses to operate more service. She indicated that the transit board will need to be looking at a used bus purchase this fall in order to have the buses ready for the fall 2014 school year. She asked for direction if she should address this bus issue with the Fee Committee in June. Trustee Schainker indicated that capital had always been a three-party issue and should be addressed by the Transit Board. There was discussion on where additional service might be needed this fall – Fredricksen Court with the additional units and on the Red Route.

Trustee Madden indicated that a discussion with the Fee Committee could address the immediate need for more service in August, requesting additional funds for the higher level of service. He indicated that CyRide would need to put a plan together to present to the transit board on how to address the bus issue.

Director Kyras indicated that staff believed that 10 additional hours of service per weekday would address the ridership increase for 1,200 to 1,400 additional students this fall.

Matthew Goodman mentioned Iowa State's prediction at the end of May is probably a good measure that predicts what will happen to enrollment in the fall and, being new to the transit board, felt option four is a good choice.

Trustee Madden said there are many unknowns and shared that it is hard to speculate about enrollment growth as it is being driven by surrounding states and international students. Iowa State is a good alternative for Illinois and Minnesota students.

Director Kyras also shared her concern about the facilities' ability to house additional vehicles. She stated that the expansion currently under construction will house eleven buses and will be full when it is completed with CyRide still parking buses outside. Warren Madden raised a concern about whether the transit board should consider whether CyRide should continue to grow in the future? Director Kyras shared her thoughts on the difficulty with trying to cap transit growth with a finite number of buses in service as the only way is to leave customers at the bus stop.

Trustee Wacha shared that he thought that the current option three and now option four addresses some of the issues raised.

Trustee Anders felt the incoming board should make the decision on which direction to proceed. Trustee Wacha felt the information provided with options three and four provided enough guidance and thoughts that the transit board could move forward on these for solutions.

TRANSIT DIRECTOR'S REPORT:

- Moonlight Express for VEISHEA continues to grow, provided over 6,500 rides, 15% higher than last year's ridership.
- Bike racks were installed on the buses in 2008 and CyRide has seen a 70% increase per year.
- Intermodal Facility TIGER grant expires September 30, 2013 and claims were outstanding. Director Kyras had conversations with FTA to allow CyRide to complete a waiver request to extend that date. Director Kyras filed the waiver requesting additional time in case it cannot be closed out, but hopes to have it closed by September 30, 2013. Additional equipment purchases and artwork are still in process. The transit board asked how the bicycle locker usage was. Director Kyras said only two out of the 12 have been rented, but Director Kyras believes there has not been adequate advertising of their availability.
- Intermodal property insurance was secured through the City of Ames and will be through Iowa State University beginning July 1, 2013. Iowa State's requested changed to the insurance text require additional time to process and a special board meeting will be required for approval of these leases. The Jefferson contract will be for three-years and Executive Express for one-year.
- Direct recipient letter: CyRide will become the direct recipient as opposed to a designated recipient of grant funds and will need to apply for grants through the Iowa DOT or gain approval for funds to be provided directly to CyRide. This requires a letter be sent to the President of the Transit Board of Trustees with this designation change. The City Attorney is currently reviewing this.

CyRide received notice of outstanding honors for one of CyRide's drivers, Paul Klimesh, over the weekend. Paul won first place at the APTA International Roadeo competition held in Indianapolis, IN.

Next regular meeting of the Ames Transit Board of Trustees will be held June 27, 2013 at 11:00 a.m. Transit board meeting adjourned at 6:52 p.m.

President, Robert Anders

Recording Secretary, Joanne Van Dyke